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ARIZONA CORPORATION COMMISSION

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June 2, 2006

Mr. Richard Kinder
CEO
Kinder Morgan, Inc.
500 Dallas Street, Suite 1000
Houston, TX 77002

Re: Proposed leveraged buyout of Kinder Morgan and its impact on Arizona

Dear Mr. Kinder:

I am writing to express my concern about the announcement that Kinder Morgan could be the subject of a leveraged buyout and may, consequently, be facing a downgrade of its bond rating. Moody's, Fitch and Standard & Poor have each issued warnings that they may cut the company's ratings to below investment grade as a result of the debt load that would ensue if the company is taken private through a leveraged buyout. I am concerned that a potential downgrade of Kinder Morgan's bonds could negatively affect the company's operations and investment in Arizona's pipeline infrastructure.

Last summer, I flew to Houston to meet with you and at that time urged you to continue with the expansion of the Eastern pipeline that is so crucial for our state. The timeline you then laid out for me projected completion of the eastern pipeline from El Paso to Tucson by the end of 2007.

In a press release issued today, Kinder Morgan stated that it has completed the first phase of the expansion of the eastern line and that plans are still in place to finish the expansion of the line into Tucson by the fourth quarter of 2007.¹

The need to push forward with the second phase of the East Line expansion – replacement of the 12-inch line from El Paso to Tucson – is especially important in light of the 2003 rupture of a Kinder Morgan pipeline in Tucson and the effects it had on Arizona residents. As you know, this system upgrade would give Arizona a safeguard against another incident that would have the potential to be devastating to our economy and our quality of life. You recently recognized this need and were quoted as saying, "as one of the fastest growing states in the country, it is critical that Arizona have an ample supply of fuel and reliable, safe pipelines to serve the state."²

¹ Kinder Morgan Press Release: June 1, 2006

² Kinder Morgan Energy Partners Press Release: August 4, 2005.

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Please assure this Commission that the buyout of Kinder Morgan as proposed will not have a negative impact on the company's operations and expansion plans in our state, and detail any positive impacts, if any, the proposed buyout would have for Arizona.

Sincerely,

A handwritten signature in dark ink, appearing to read "Kris Mayes", written in a cursive style.

Kris Mayes
Commissioner

Cc: Chairman Jeff Hatch-Miller
Commissioner William A. Mundell
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